

Message Text

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ACTION L-03

INFO OCT-01 ARA-06 ISO-00 SP-02 INR-07 EB-07 COME-00

CIAE-00 NSAE-00 TRSE-00 XMB-02 CIEP-01 CEA-01 INT-05

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 8872

C O N F I D E N T I A L LIMA 1521

FOR ARA - DR. FISHLOW; L/ARA - MR. GANTZ; S/P - MR. EINAUDI'S
OFFICE

E. O. 11652: GDS

TAGS: EINV, BDIS, EIND, EMIN, PFOR, PE

SUBJECT: MARCONA - GOP REQUEST FOR AUDIT INFORMATION

REF: LIMA 1390

1. BROUSSET CALLED AMBASSADOR FEBRUARY 16 TO EXPLAIN THAT
PRICE WATERHOUSE AUDIT HAS REACHED STAGE WHERE HIERROPERU
AND PRICE WATERHOUSE LOCAL OFFICE (MORENO, PATINO AND ASSOCIATES)
NEED SPECIFIC INFORMATION FROM MARCONA HEADQUARTERS TO VERIFY
DATA FROM LOCAL COMPANY'S BOOKS. FOLLOWING IS INFORMAL TRANSLATION
OF TEXT OF MEMORANDUM WHICH BROUSSET HAS PASSED TO EMBASSY
REGARDING THESE REQUESTS: QUOTE MEMORANDUM - SUBJECT - AUDIT
OF MARCONA MINING COMPANY TO JULY 31, 1975 - UNDERTAKEN BY
MORENO, PATINO AND ASSOCIATES. THE FIRM MORENO, PATINO AND
ASSOCIATES IN ORDER TO MEET THE REQUIREMENTS FOR STANDARD
AUDITING PROCEDURES OF THE FINANCIAL ACCOUNTS OF THE MARCONA
MINING COMPANY, REQUESTS THAT THIS COMPANY MAKE THE FOLLOWING
DATA AVAILABLE:

CONFIRMATION OF ACCOUNTS AS OF JULY 31, 1975 -

- 1) LOAN FROM THE BANK OF AMERICA (USA)
- 2) LOAN FROM THE EXPORT-IMPORT BANK (USA)
- 3) CURRENT ACCOUNTS OF THE HOME OFFICE (USA)

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- 4) ACCOUNTS WITH MARCONA INTERNATIONAL S.A. (PANAMA):

- A) ACCOUNTS RECEIVABLE FOR MINERAL SALES (CUENTAS POR COBRAR POR VENTA DE MINERAL);
 - B) ACCOUNTS PAYABLE BECAUSE OF DELAYS (CUENTAS POR PAGAR POR CONCEPTO DE DEMORAS);
 - C) TOTAL OF SALES MADE IN 1975;
 - D) TOTALITY OF DELAYS IN 1975 (TOTAL DE LAS DEMORAS EN 1975).
- 5) STATUS OF ACCOUNTS PAYABLE TO FOREIGN SUPPLIERS (USA)(ESTADOS DE CUENTAS POR PAGAR A PROVEEDORES DEL EXTERIOR).

OTHER ITEMS -

- 1) ACCESS TO THE MINUTES (LIBROS DE ACTAS) OF MARCONA MINING COMPANY, SAN FRANCISCO BY AUDITORS ASSOCIATED WITH MORENO, PATINO AND ASSOCIATES.
- 2) LETTER IN SPANISH FROM LAWYERS OF MARCONA MINING COMPANY, PERU STATING THEIR OPINION REGARDING THE STATUS OF THE SUITS AND CLAIMS IN FAVOR OF OR AGAINST THEIR SUBSIDIARY.
- 3) LETTER FROM THE MANAGEMENT OF MARCONA MINING COMPANY PROVIDING INFORMATION ON THE SITUATION REGARDING THE FINANCIAL BALANCES.
- 4) FINANCIAL STATEMENT AND NOTES PRESENTED IN A FORM CONSISTENT WITH THE PREVIOUS YEAR AND INITIALED BY THE REPRESENTATIVES OF MARCONA MINING COMPANY. END QUOTE

2. BROUSSET EXPLAINED THAT IN REGARD TO DATA ON LOANS FROM EXIM AND BANK OF AMERICA, GOP HOPES TO OBTAIN COMPANY AUTHORIZATION SO THAT BOTH BANKS CAN MAKE DATA AVAILABLE TO PRICE WATERHOUSE. BROUSSET SAID THAT HE PLANS TO SPEAK TO LUIGI EINAUDI ABOUT THIS SUBJECT DURING DINNER FOR SECRETARY TOMMORROW NIGHT, AND WILL MAKE AVAILABLE TO DR. EINAUDI A COPY OF THE REQUEST. IN SUBSEQUENT CONVERSATION, EMBASSY OFFICER TOLD BROUSSET THAT EMBASSY WOULD BE TRANSMITTING GOP REQUEST TELEGRAPHICALLY TO THE DEPARTMENT TODAY.

3. EMBASSY IS POUCHING SPANISH TEXT OF MEMORANDUM TO ARA/EP.
DEAN

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Message Attributes

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Margaret P. Grafeld
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